

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

YELLOW CORPORATION, *et al.*,¹

Debtors.

Chapter 11

Case No. 23-11069 (CTG)

(Jointly Administered)

Related to Docket Nos. 575 and 968

**OBJECTION OF REIMER WORLD PROPERTIES CORP. AND
RWP MANITOBA LTD. TO NOTICE OF POTENTIAL ASSUMPTION
OR ASSUMPTION AND ASSIGNMENT OF CERTAIN CONTRACTS OR
LEASES ASSOCIATED WITH THE NON-ROLLING STOCK ASSETS**

Reimer World Properties Corp. and RWP Manitoba Ltd. (collectively, “Reimer”) file this objection (the “Objection”) to the *Notice of Potential Assumption or Assumption and Assignment of Certain Contracts or Leases Associated with the Non-Rolling Stock Assets* [D.I. 968] (the “Assumption Notice”), and in support thereof, respectfully state as follows:

Background

1. Reimer and Yellow Corporation (collectively with its above-captioned debtor affiliates, the “Debtors”) are parties to a number of real property leases governing the rights and usage of certain terminals owned by Reimer (collectively, the “Reimer Leases”).

2. On September 15, 2023, the Court entered its *Order (I)(A) Approving the Bidding Procedures for the Sale or Sales of the Debtor’s Assets, (B) Scheduling Auctions and Approving the Form and Manner of Notice Thereof, (C) Scheduling Sale Hearings and Approving the Form and Manner of Notice Thereof; (II)(A) Approving the Sale of the Debtors’ Assets Free and Clear*

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors’ claims and noticing agent at <https://dm.epiq11.com/YellowCorporation>. The location of the Debtors’ principal place of business and the Debtors’ service address in these chapter 11 cases is: 11500 Outlook Street, Suite 400, Overland Park, Kansas 66211.

of Liens, Claims, Interests and Encumbrances, and (B) Approving the Assumption and Assignment of Executory Contracts and Unexpired Leases; and (III) Granting Related Relief [D.I. 575] (the “Bid Procedures Order”).

3. On October 26, 2023, pursuant to the Bid Procedures Order, the Debtors filed the Assumption Notice, which provides, in relevant part, that the Debtors “have determined, in their reasonable business judgment, that each executory contract or unexpired lease set forth” therein “may be assumed (and, if applicable, assigned)” effective as of a date provided. *See* Assumption Notice, p.1.

4. Included in the Assumption Notice are the Reimer Leases. Specifically, the Assumption Notice contains six (6) line items related to leases with Reimer World Properties Corp. and one (1) line item related to a lease with RWP Manitoba Ltd.

5. Pursuant to section 365(b) of the Bankruptcy Code, the Debtors cannot assume an executory contract without curing existing defaults and providing adequate assurance of future performance. 11 U.S.C. § 365(b)(1)(A)-(B).

6. Consistent with the section 365(b) requirements, the Assumption Notice includes a column for the Debtors’ proposed cure amount with respect to each lease or executory contract listed. For the Reimer Leases, the proposed cure amounts are as follows (collectively, the “Proposed Cure Amounts”):

Contract Counterparty	Relevant Lease	Proposed Cure Amount
Reimer World Properties Corp.	Terminal Lease for 3985 Still Creek Avenue, Burnaby, BC V5C 4E2	\$132,889
Reimer World Properties Corp.	Terminal Lease for 75 Dufferin Place SE, Calgary AB T2C 4M2	\$107,560
Reimer World Properties Corp.	Terminal Lease for 1725 Chemin Saint Francois, Dorval, QC H9P 2S1	\$68,028

Contract Counterparty	Relevant Lease	Proposed Cure Amount
Reimer World Properties Corp	Terminal Lease for 16060 128 Avenue, Edmonton, AB 15V 1B6	\$64,644
Reimer World Properties Corp.	Terminal Lease for 717 Cynthia Street, Saskatoon, SK S7L 6B7	\$25,539
Reimer World Properties Corp.	Terminal Lease for 920 Mackay Street, Regina, SK S4N 4X7	\$22,683
RWP Manitoba Ltd.	Terminal Lease for 1400 Inkster Boulevard, Winnipeg, MB R2X 2X3	\$87,224

Objection

7. Reimer objects to the Assumption Notice in two respects. First, for the reasons provided below, Reimer objects to the assignment of the Reimer Leases because the Debtors have failed to provide sufficient information regarding the identity of the proposed assignee and its ability to perform under the Reimer Leases so as to permit Reimer to consent to the assignment. Second, Reimer objects to the proposed assumption and assignment of the Reimer Leases insofar as the Proposed Cure Amounts failure to capture the full amounts due to Reimer under the Reimer Leases.

A. Reimer Does Not Consent to Assumption and Assignment of the Reimer Leases and the Debtors Have Not Provided Sufficient Adequate Assurance

8. The Reimer Leases require Reimer to consent to any assignment of such leases to a third party. Based on the information provided to date, however, to the extent that the Debtors intend to assume and assign the Reimer Leases, Reimer does not and cannot consent to the proposed assignment.

9. The Bankruptcy Code is clear in imposing upon debtors the burden of providing contract parties with adequate assurance of future performance of the prompt cure of all defaults and compensation for any pecuniary loss in connection with a proposed assumption. *See* 11 U.S.C. § 365(b)(1)(C). Likewise, Bankruptcy Code section 365(f)(2)(B) provides that a debtor-in-

possession may assign an executory contract or unexpired lease only if “adequate assurance of future performance by the assignee of such contract or lease is provided, whether or not there has been a default in such contract or lease.” *See In re Sun TV and Appliances, Inc.*, 234 B.R. 356, 370 (Bankr. D. Del. 1999).

10. In the present case, the information provided in the Assumption Notice regarding the proposed assignment of the Reimer Leases is insufficient, as is the information about the identity of the proposed assignee. Reimer requires information regarding the proposed assignee for purposes of determining “know-your-customer” information and related regulatory concerns.

11. Furthermore, although the Assumption Notice indicates that the “Debtors believe that the party to which each applicable executory contract or unexpired lease may be assigned has the financial wherewithal to meet all future obligations under such contract or lease,” there is no actual documentation provided in support of such financial wherewithal. Reimer cannot rely on naked assertions of adequate assurance and requires further information proving the proposed assignee’s ability to perform under the Reimer Leases before it can consent to assumption and assignment. *See* 11 U.S.C. § 365(b)(1)(B).

B. Reimer Disputes the Proposed Cure Amounts

12. In addition to Reimer’s concerns regarding the identity of the proposed assignee and its adequate assurance, the Proposed Cure Amounts are incorrect because they fail to incorporate property tax payments due under certain of the Reimer Leases. The proper amounts (the “**Correct Cure Amounts**”) needed to cure defaults under the Reimer Leases are as follows:

Contract Counterparty	Relevant Lease	Proposed Cure Amount	<i>CORRECT</i> Cure Amount	<i>Explanation</i>
Reimer World Properties Corp.	Terminal Lease for 3985 Still Creek Avenue, Burnaby, BC V5C 4E2	\$132,889	\$132,889	No dispute

Contract Counterparty	Relevant Lease	Proposed Cure Amount	<i>CORRECT</i> Cure Amount	<i>Explanation</i>
Reimer World Properties Corp.	Terminal Lease for 75 Dufferin Place SE, Calgary AB T2C 4M2	\$107,560	\$107,560	No dispute
Reimer World Properties Corp.	Terminal Lease for 1725 Chemin Saint Francois, Dorval, QC H9P 2S1	\$68,028	\$68,028	No dispute
Reimer World Properties Corp.	Terminal Lease for 16060 128 Avenue, Edmonton, AB T5V 1B6	\$64,644	\$64,644	No dispute
Reimer World Properties Corp.	Terminal Lease for 717 Cynthia Street, Saskatoon, SK S7L 6B7	\$25,539	\$27,261.26	The revised amount reflects a pro rata portion of the property taxes due for the period January 1, 2023 to August 6, 2023.
Reimer World Properties Corp.	Terminal Lease for 920 Mackay Street, Regina, SK S4N 4X7	\$22,683	\$49,777.22	The revised amount reflects a pro rata portion of the property taxes due for the period January 1, 2023 to August 6, 2023.
RWP Manitoba Ltd.	Terminal Lease for 1400 Inkster Boulevard, Winnipeg, MB R2X 2X3	\$87,224	\$261,843.23	The revised amount reflects a pro rata portion of the property taxes due for the period January 1, 2023 to August 6, 2023.

13. Based on the above, the total amount of the Correct Cure Amounts is (i) \$450,159.48 due to Reimer World Properties Corp. and (ii) \$261,843.23 due to RWP Manitoba Ltd.

14. In order to assume the Reimer Leases, the Debtors are required to cure defaults existing under such Lease pursuant to section 365(b)(1)(A) of the Bankruptcy Code, which provides, in relevant part, that “[i]f there has been a default in an executory contract or unexpired lease of the debtor, the trustee may not assume such contract or lease unless, at the time of assumption of such contract or lease, the trustee . . . cures, or provides adequate assurance that the

trustee will promptly cure, such default[.]” 11 U.S.C. § 365(b)(1)(A). Accordingly, before the Debtors can assume and assign the Reimer Leases, they must cure the defaults set forth in the leases by paying the Correct Cure Amounts, as set forth above.

Reservation of Rights

15. Reimer reserves its rights to object to any other relief sought by the Debtors in connection with the assumption and assignment of the Reimer Leases, including, without limitation, the assignee’s proposed adequate assurance of future performance.

WHEREFORE, Reimer respectfully requests that the Court (a)(i) deny any assignment of the Reimer Leases pending the Debtors’ provision of the requisite detail concerning the assignee and its ability to perform under the Reimer Leases, and (ii) condition the assumption and assignment of the Reimer Leases upon the payment of the Correct Cure Amounts, and (b) grant Reimer such further relief as the Court deems just.

Dated: November 8, 2023
Wilmington, Delaware

SAUL EWING LLP

/s/ Monique B. DiSabatino

Monique Bair DiSabatino (DE Bar No. 6027)
1201 North Market Street, Suite 2300
P.O. Box 1266
Wilmington, DE 19899
Telephone: (302) 421-6800
Email: monique.disabatino@saul.com

-and-

Mark D. Sherrill
EVERSHEDS SUTHERLAND (US) LLP
1001 Fannin, Suite 3700
Houston, TX 77002
Telephone: (713) 470-6100
Email: marksherrill@eversheds-sutherland.com

*Counsel to Reimer World Properties Corp. and
RWP Manitoba Ltd.*